

EXHIBIT 27

CONFIDENTIAL
Justin Boyer - March 3, 2020

Justin Boyer - March 3, 2020

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In Re:)
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA TITLE III
FOR PUERTO RICO) Case No.
as representative of) 17-BK-03283 (LTS)
THE COMMONWEALTH OF PUERTO RICO, et. al,)
Debtors.)

In Re:)
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA Title III
FOR PUERTO RICO) Case No.
as representative of) 17-BK-03566 (LTS)
THE EMPLOYEES RETIREMENT SYSTEM OF THE)
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,)
Debtor.)

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CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 22

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 So they trade mostly on their credit
3 rating, and, you know, on the state that they are
4 issued from. The percentage of individuals that, you
5 know, have high net worth may impact the relative
6 yields a bit there.

7 So Master Fund has been the one that I
8 believe has invested probably the most in municipal
9 securities, and Opportunity may have had one or two
10 investments, but not directly related to Puerto Rico.

11 And the Drawdown funds do have some
12 investments in Puerto Rico, but they overlapped with
13 Master.

14 Q. So can you give me a ballpark total --
15 well, let me step back.

16 How long have you been employed by
17 Redwood Capital Management?

18 A. Since 2001.

19 Q. Okay. And since that time, can you give
20 me a ballpark total number of investments you're
21 aware of that Redwood has engaged in relating to
22 municipal or government issued securities?

23 A. So I believe we produced a list that's a
24 comprehensive list. Two of them I'm not aware of
25 because they were before I got there. And I spoke to

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 23

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL
2 Jon Kolatch who is the founder of Redwood, and he
3 actually couldn't remember them off the top of his
4 head.

5 As you could imagine, we trade a lot of
6 securities. Things that happened 10 years ago are
7 not fresh in our minds.

8 And -- but most of -- I mean, all of
9 this has basically been in Puerto Rico complex, and
10 some extent Jefferson County, when it reorganized.
11 We bought some securities I believe on the
12 reorganization. I was not the analyst on that.
13 Ruben Kliksberg was.

14 Q. Do you know when that was?

15 A. I don't want to speculate. I mean, you
16 could know -- it was when Jefferson County was
17 reorganized.

18 Q. You alluded to a list that you produced
19 in this litigation and I'll show you that in a little
20 while.

21 But do you recall whether Jefferson
22 County would have been on that list?

23 A. If it met the criteria that you -- that
24 you had given us, it should have been on the list.

25 Q. Okay. All right. So you mentioned that

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 38

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL
2 is to the extent that there's a typical process that
3 Redwood would follow in determining whether or not it
4 wants to invest in municipal or government-issued
5 securities, that would be the, I think, most helpful
6 information to know for purposes of today's exercise.

7 A. I would say that we generally -- I
8 presume that you're asking about Puerto Rico?

9 Q. Well, I mean, I think earlier you
10 mentioned that Redwood has in the past, invested in
11 not just municipal securities or government
12 securities issued by Puerto Rico entities, but also
13 by other entities; two of which are on the list that
14 I have. And you also mentioned Jefferson County.

15 A. Yeah.

16 Q. So I'm not -- at this time, I'm not
17 really directing my questions specifically to Puerto
18 Rico.

19 MS. McGONIGLE: And so objection, before
20 you answer. In that case, that's beyond the
21 scope of the deposition topics. So if you have
22 personal knowledge, you can provide it.

23 A. Sure. I mean, like Jefferson County, as
24 I said before, I was not the analyst on the name.
25 But I think that the thesis on our investment there

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 39

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL
2 was that, you know, it was coming out of bankruptcy.
3 The company -- or the municipality, you know, was
4 able to cement a rate schedule for rate increases on
5 its sewer and water rates that should have, you know,
6 covered the bonds.

7 On top of that, I believe that the bonds
8 were wrapped by a muni insurer, so you had a double
9 sort of level of protection. And it traded wide to
10 its credit rating, substantially. And you know, we
11 thought that as it would season, as it would become,
12 you know, investigated by normal course muni buyers,
13 you know, the rates that they would demand to hold
14 those bonds would fall and the prices would
15 appreciate.

16 Q. So what happens after you've -- strike
17 that.

18 You mentioned before that you like to
19 send e-mail about the potential investment
20 opportunities; is that correct?

21 A. Yeah. I mean, the reason why I
22 generally do is because if we discuss something,
23 we'll have the discussion document in front of us.

24 Q. So to whom would you send an e-mail?

25 A. Jon Kolatch, Ruben Kliksberg. Sometimes

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 46

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 So we rely on sometimes outside sources,
3 like Reorg Research to keep track of some dockets and
4 such. You know, if it's something that we're heavily
5 involved in like PG&E, I will check the docket
6 myself, personally. But generally, we rely on Reorg
7 to flag, you know, filings.

8 Q. But within a bankruptcy case, if there
9 is a specific litigation related to the security that
10 you're considering investing in, fair to say that you
11 would monitor the pleadings and arguments being made
12 in that litigation?

13 MS. McGONIGLE: Same objection. Go
14 ahead.

15 A. So I don't know if you're getting at
16 that there was an AAFAF challenge to the ERS bonds.
17 I actually was unaware of that, and that's maybe
18 shame on me for not being aware of it as an analyst
19 just in the course of my diligence. But I was not
20 aware of that when we were purchasing these bonds.

21 Q. When did you first become aware of
22 anyone having made the argument that the ERS bonds
23 are invalid?

24 A. It was after we purchased them. I think
25 it was the FOMB that filed something. And on the

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 47

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL
2 AAFAF, I actually got -- was made aware of that
3 yesterday.

4 (Boyer Exhibit 1, Committees' and
5 Government Parties' Amended Notice of Rule
6 30(b) (6) Deposition of Redwood Master Fund,
7 Ltd., marked for identification, as of this
8 date.)

9 (Boyer Exhibit 2, Notice of Videotaped
10 Deposition of Justin Charles Boyer, marked for
11 identification, as of this date.)

12 (Boyer Exhibit 3, Redwood Master Fund,
13 Ltd.'s Responses and Objections to the
14 Committee's and Government Parties Amended
15 Notice of Rule 30(b) (6) Deposition of Redwood
16 Master Fund, Ltd., marked for identification, as
17 of this date.)

18 Q. Mr. Boyer, the court reporter has handed
19 you three documents I actually have identified
20 earlier in the deposition today.

21 But Exhibit 1 is the actual Rule
22 30(b) (6) Deposition Notice that the committee and
23 other parties served on Redwood in connection with
24 this litigation.

25 Exhibit 2 is a Deposition Notice

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 72

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 Q. Are you done?

3 A. Yeah. Sorry.

4 Q. When did Redwood join the bondholder
5 group that is currently represented by Jones Day?

6 A. I'm not certain. I think it was
7 sometime in 2019, in the summer of '19 -- or spring.

8 Q. Was Redwood part of any bondholder
9 groups prior to that date?

10 MS. McGONIGLE: Objection. Are you just
11 talking about ERS bonds?

12 MR. BASSETT: Yes.

13 A. No.

14 Q. Was it part of any groups relating to
15 other Puerto Rico bonds prior to that date?

16 MS. McGONIGLE: Objection.

17 A. Kramer Levin for PREPA.

18 Q. And when did -- when did Redwood join
19 that group?

20 A. I don't recall.

21 Q. Did Redwood have -- did Redwood receive
22 any advice from outside counsel regarding the ERS
23 bonds prior to joining the Jones Day bondholder group
24 sometime in the summer of 2019?

25 MS. McGONIGLE: Objection on privilege

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 78

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 statements. "

3 Do you see that?

4 A. Yes.

5 Q. Are there particular exhibits that were
6 relied upon by Redwood in purchasing ERS bonds?

7 A. I would say the enabling act, which I
8 believe was an exhibit, and the opinion of counsel
9 that they were legally issued.

10 Q. It's your understanding that the
11 enabling act is an exhibit to the official statement?

12 A. It is.

13 Q. It goes on to say certain bondholders --
14 take a step back.

15 So when was the first time you reviewed
16 the enabling act? Strike that.

17 When was the first time Redwood reviewed
18 the enabling act?

19 A. My understanding is that the enabling
20 act was reviewed in 2018 or so, around the time of
21 that discussion document. And the other thing I want
22 to say is the bond resolution is another document
23 that we relied upon.

24 Q. Okay. And then the last sentence says
25 "Certain bondholders may also have considered and

CONFIDENTIAL
Justin Boyer - March 3, 2020

Page 113

1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 Q. So you're saying that this is a
3 different theory all together that nobody in this
4 litigation has raised, to your knowledge?

5 A. To my knowledge, no. This had to do
6 with the -- if you made an argument that we didn't
7 have security in the contributions, if they weren't
8 an asset of the system, it would not be.

9 Q. Okay. Regardless of whether or not
10 another party has made this particular argument, I
11 just want to be clear because I don't think you
12 actually answered this specific question.

13 But at the time you sent this e-mail, is
14 it true that you believed there was a risk that the
15 debt was voidable?

16 MS. McGONIGLE: Objection. Asked and
17 answered.

18 Q. Yes or no?

19 A. I was highlighting a hypothetical risk.

20 Q. You thought there was no risk
21 whatsoever --

22 MS. McGONIGLE: Objection.

23 Q. -- that the debt the voidable?

24 MS. McGONIGLE: Objection.

25 A. I was highlighting a risk for us to